

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7769**

**BILL NUMBER:** HB 1548

**DATE PREPARED:** Jan 4, 2001

**BILL AMENDED:**

**SUBJECT:** Appropriation for Clinical Trials.

**FISCAL ANALYST:** Kathy Norris

**PHONE NUMBER:** 234-1360

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State

<b>STATE IMPACT</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>
<b>State Revenues</b>			
<b>State Expenditures</b>		<b>10,000,000</b>	<b>10,000,000</b>
<b>Net Increase (Decrease)</b>		<b>(10,000,000)</b>	<b>(10,000,000)</b>

**Summary of Legislation:** This bill appropriates \$20,000,000 from the Indiana Tobacco Master Settlement Agreement Fund to the Biomedical Technology and Basic Research Trust Fund to provide funding for clinical trials to study the use of experimental drugs for the treatment or prevention of human diseases.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** This bill appropriates \$20 M from the Tobacco Master Settlement Agreement Fund for the Biomedical Technology and Basic Research Trust Fund for the biennium. (The Biomedical Technology and Basic Research Trust was established in P.L. 21-2000, but no funds were appropriated for FY 2001.)

*Background:* The Biomedical Technology and Basic Research Trust was established to make distributions to the Indiana Twenty-First Century Research and Technology Fund established by IC 4-4-5.1. Both Funds, the Biomedical Technology and Basic Research Trust and the Indiana Twenty-First Century Research and Technology Fund are administered by the State Budget Agency. The Twenty-First Century Research and Technology Board is responsible for accepting, analyzing, and recommending all applications for funding from the Fund. The Board is authorized to contract for expert advice and to employ staff to assist them in carrying out the responsibilities assigned to the Board. Final approval for grants and loans is the

responsibility of the Budget Agency after review by the State Budget Committee. Money in the Fund may not be used to provide a recurring source of revenue for the normal operating expenditures of any project.

P.L. 21-2000 included a provision that limits the amount of tobacco settlement funds available to be distributed, transferred, or spent from the Indiana Master Settlement Fund to no more than 60% of the amount of revenue received each year. The balance of the funds received remain in the Master Settlement Fund. There is one ongoing appropriation made in P.L.21-2000 to the Local Health Maintenance Fund. The balance of the funds are available for appropriation, distribution, or transfer as illustrated in the chart below.

	<b>FY 2002</b>	<b>FY 2003</b>
Estimated Annual Revenue	157,870,664	163,981,563
P.L. 21-2000 Multiplier	60%	60%
Total Available for Appropriation	94,722,398	98,388,938
Ongoing Appropriation I.C. 4-12-7-4	3,000,000	3,000,000
<b>Biomedical Technology Trust Fund</b>	<b>10,000,000</b>	<b>10,000,000</b>
Remaining Funds Available for Appropriation or Distribution	81,722,398	85,388,938

**Explanation of State Revenues:** The estimated revenue to be received in FY 2002 and FY 2003 per the Tobacco Master Settlement Agreement is from estimates prepared by Morgan Stanley Dean Witter. The amounts estimated are subject to adjustments for inflation and levels of tobacco sales.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** The State Budget Agency, Indiana Twenty-First Century Research and Technology Fund Board.

**Local Agencies Affected:**

**Information Sources:** P.L.21-2000; and “Projection of State of Indiana’s Future Payments”, Morgan Stanley Dean Witter.